

Draft
Subject to Legal Review for Clarity and Consistency
April 3, 2003

US FORMATTING NOTE FOR ANNEX III
RELATING TO FINANCIAL SERVICES

Relating to Banking and Other Non-Insurance Financial Services:

1. The Financial Services Annex of the United States with respect to banking and other non-insurance financial services sets out
 - (a) in Section A, the headnotes that limit or clarify the commitments of the United States with respect to the obligations described in subparagraphs (i)-(iv) of paragraph (b), and
 - (b) in Section B, pursuant to Article 12.9 of the Chapter on Financial Services, the existing measures of the United States that are not subject to some or all of the obligations imposed by:
 - (i) Article 12.2 (National Treatment);
 - (ii) Article 12.3 (Most Favored Nation Treatment);
 - (iii) Annex 12.9, Section A (Right of Establishment with Respect to Certain Financial Services); or
 - (iv) Article 12.8 (Senior Management and Boards of Directors).
2. Each entry in Section B as described in paragraph 1(b) sets out the following elements:
 - (a) **Description of Non-Conforming Measures** sets out the non-conforming aspects of the entry and the subsector, financial institution, or activities covered by the entry;
 - (b) **Measures** identifies the laws, regulations or other measures for which the entry is made. A measure cited in the **Measures** element:
 - (I) means the measure as amended, continued or renewed as of the date of entry into force of this Agreement, and
 - (ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure;
 - (c) **Obligations Concerned** indicates the obligations referred to in paragraph 1(b) with respect to which the entry is made.

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Relating to Insurance:

3. The Financial Services Annex of the United States with respect to insurance sets out
 - (a) headnotes that limit or clarify the commitments of the United States with respect to the obligations described in subparagraphs (i)-(v) of paragraph (b), and
 - (b) pursuant to Article 12.9 of the Chapter on Financial Services, a schedule of existing measures of the United States that do not conform to some or all of the obligations imposed by:
 - (i) Article 12.2 (National Treatment);
 - (ii) Article 12.3 (Most Favored National Treatment);
 - (iii) Article 12.4 (Market Access for Financial Enterprises);
 - (iv) Article 12.5 (Cross-Border Trade); or
 - (v) Article 12.8 (Senior Management and Boards of Directors).
4. Each entry in the schedule of non-conforming measures described in paragraph 3(b) sets out the following elements:
 - (a) **Obligations Concerned** specified the obligations(s) referred to in paragraph 1(b) that, pursuant to 12.9, do not apply to the listed measure(s);
 - (b) **Level of Government** indicates the level of government maintaining the listed measures(s);
 - (c) **Measures** identifies the laws, regulations or other measures for which the entry is made. A measure cited in the **Measures** element:
 - (i) means the measure as amended, continued or renewed as of the date of entry into force of this Agreement, and
 - (ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure;

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(d) **Description** provides a general, nonbinding description of the **Measures**.

Common Provisions

5. In accordance with Article 12.9(1) (a), the articles of this Agreement specified in the **Obligations Concerned** element of an entry do not apply to the law, regulation or other measure identified in the **Measures** element or in the **Description of Non-Conforming Measures** element of that entry.
6. Where the United States maintains a measure that requires that a service supplier be a citizen, permanent resident or resident of its territory as a condition to the provision of a service in its territory, a listing for that measure taken with respect to Articles 11.2, 11.3 or 11.4 of the Services Chapter or Articles 12.2, 12.3, 12.4 or Annex 12.9, Section A, of this Chapter shall operate as a reservation with respect to Articles 10.2 and 10.3 of the Investment Chapter, or to the extent of that measure.